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CONFIDENTIAL**DEPARTMENT OF STATE
OPERATIONS CENTER****POLAND WORKING GROUP****Situation Report No. 24****Situation in Poland as of 0500 EST December 23, 1981**

Reuter reports that Jaruzelski is preparing a television address to the nation for delivery possibly as early as Wednesday.

According to PAP, there was a Politburo meeting on December 22. Party leaders reportedly discussed the political and social situation in Poland and charted the duties of the party during martial law.

PAP also announced that the Ministry of the Interior has decided to lift the curfew for the night of December 24/25 throughout the country to facilitate attendance at Christmas Eve midnight mass. There are other indications, though no official confirmation, that travel restrictions may be relaxed during the Christmas period, allowing travel within each of the country's 49 provinces and in some instances travel between regions for visits to relatives.

Warsaw Television December 22 announced the prosecution of three men accused of attempting to burn the civil militia station in Gdansk. This is the first official admission of the extent of unrest in the city.

The Embassy also reports that a process of "verification" is being undertaken at the offices of various newspapers in Warsaw. Journalists are interviewed by a four-man board and are categorized as: (1) safe and allowed to write for publication, (2) not entirely safe and only permitted to do such tasks as correcting copy, and (3) unsafe and, therefore, dismissed.

Sejm (parliament) commissions on legislative affairs, enterprise self-management, and economic planning, budget and finance met jointly on December 22 to prepare first readings of eight government bills connected with economic reform. Economic Reform Minister Wladyslaw Baka noted that the introduction of these laws indicates that the imposition of martial law is not intended to hinder economic reform. At the same time the government is withdrawing its provisional budget and plan for 1982.

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State Dept. review completed

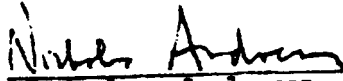
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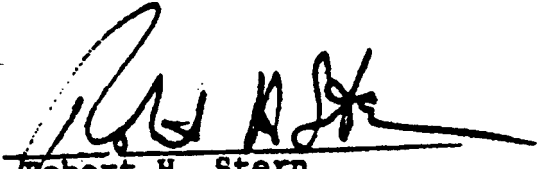
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The director of an enterprise near Warsaw told the Embassy that the cutoff of telephone and telex as well as travel restrictions under martial law were making it impossible for enterprise directors and other officials to communicate and negotiate directly. The director thought production and distribution would become increasingly inefficient unless these martial law measures were relaxed soon.

Citing banking sources in Switzerland and Frankfurt, the Western press reports that Western banking officials at a meeting in Zurich this week decided to turn down a Polish request for an extra \$350 million of credit to help meet interest payments on its debts this year.

President Reagan will address the nation tonight at 9 PM EST concerning the military crackdown in Poland.


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